



KOWLOON, HONG KONG, 6th May, 1911.

DEAR SIR,

Extract from Hong Kong Papers.

"A case having considerable interest to stamp collectors was disposed of yesterday afternoon, when Li Sz, until recently trading as a dealer in old stamps and postcards under the name of Fook Loy Hing, in Queen's Road Central, at the corner of Chiu Loong Street, was sentenced by Mr. E. R. Hallifax to three months' imprisonment with hard labour, for unlawful possession of adhesive stamps from which marks of cancellation had been unlawfully removed, contrary to the Stamp Ordinance, 1901. The cleaned stamps, which consisted principally of 50 cts. and \$1 stamps, used both for revenue and postal purposes, were forfeited to the Crown."

I enclose the above cutting from the local Press, from which it will be seen that a Chinese stamp-dealer here was sentenced to three months' imprisonment without the option of a fine, for removing cancellation marks from stamps, contrary to the local Stamp Ordinance.

During my 11 years' residence in Hong Kong, I have frequently brought this practice to the notice of the authorities, but owing to the technicalities involved, they have hitherto been somewhat reluctant to prosecute. The new Postmaster-General, however, a very able official, took up the matter quite enthusiastically, with the result above stated. The campaign undertaken by the Colonial Postmaster-General has caused a great increase in the receipts for stamps, very gratifying to the Treasury, and for that reason alone other administrations, whether British or otherwise, would be well advised to follow suit.

The practice of the stamp-cleaning fraternity has really been very simple. High value stamps were removed from bank drafts and other documents, and the blue cancellation marks removed by means of acid. The yellow races have a special aptitude for this kind of work, and I have seen copies which have been cleaned so marvellously well, that even with the aid of a powerful microscope the original cancellation marks could not be detected. The stamps so treated were then, with the aid of a confederate in the Post Office, properly postmarked, care being taken that the postmark was applied exactly where the blue mark had been before, making detection doubly difficult. The stamps were then sold to collectors as genuinely postally used, but a good many were, before the cancellation mark was applied, used over again on documents, or passed through the Post. A Chinese cashier was sentenced, through the instrumentality of the Postmaster-General, to a long term of imprisonment for this offence.

The Colonial Postmaster-General has now arranged with all the local banks and large firms to have their stamps perforated with initials, and the result in some cases has been surprising, the usual expenditure for stamps having gone down to one half its former amount.

Great credit is due to the Crown Solicitor, Mr. Rowley, for bringing the above prosecution to a successful issue, in spite of the difficulties involved, and also to the presiding magistrate, Mr. Hallifax, who seemed to have a marvellous grasp of a matter full of technicalities. Neither the Postmaster-General, the Crown Solicitor, nor the magistrate is a collector.

By coming forward myself and giving expert evidence, a band of forgers which had long infested this place has at last been laid low.

As far as the result of this prosecution concerns collectors, the high value stamps of Hong Kong from a dollar upwards, in used condition, will be scarce things in future. None over a dollar are certainly ever used for postal purposes, and documents ought to be stamped with the separate revenue stamps available for the purpose, though the Colonial Government has not been very strict in this matter in the past. The 2 dollar King Edward will be a stamp well worth looking for. The old colour was not used in any quantity (treated as above explained) and the new colour is now unobtainable in postally used condition, except at the Post Office at face value, and passing through the Post, all other copies being perforated with firm's initials.

To show the extent to which these stamps were formerly cleaned, I may mention that I had a parcel of over 1,000 of these perforated 2 dollar stamps offered me a few days ago at quite a nominal sum.

Macao. Bar Provisionals. Owing to the hurry in which they had to be surcharged, several errors have made their appearance. I have seen double surcharges, inverted surcharges (thick bar at bottom instead of at top), and also a pair—one stamp with, and one without, surcharge.

The $\frac{1}{2}$ cent grey, Don Carlos, has made its appearance with the usual surcharge "Republica" in red diagonally. 30,000 were issued, and bought up the same day. No others were received. A new era may be expected in the postal administration of Macao, as the late Postmaster-General, a very bad official, has been arrested for grave irregularities in connection with his office, not the least of which is embezzlement.

Yours faithfully,

C. PIENS.

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